



HEAT PUMP WATER HEATER MARKETING

Getting to Yes in Emergency Replacement Situations

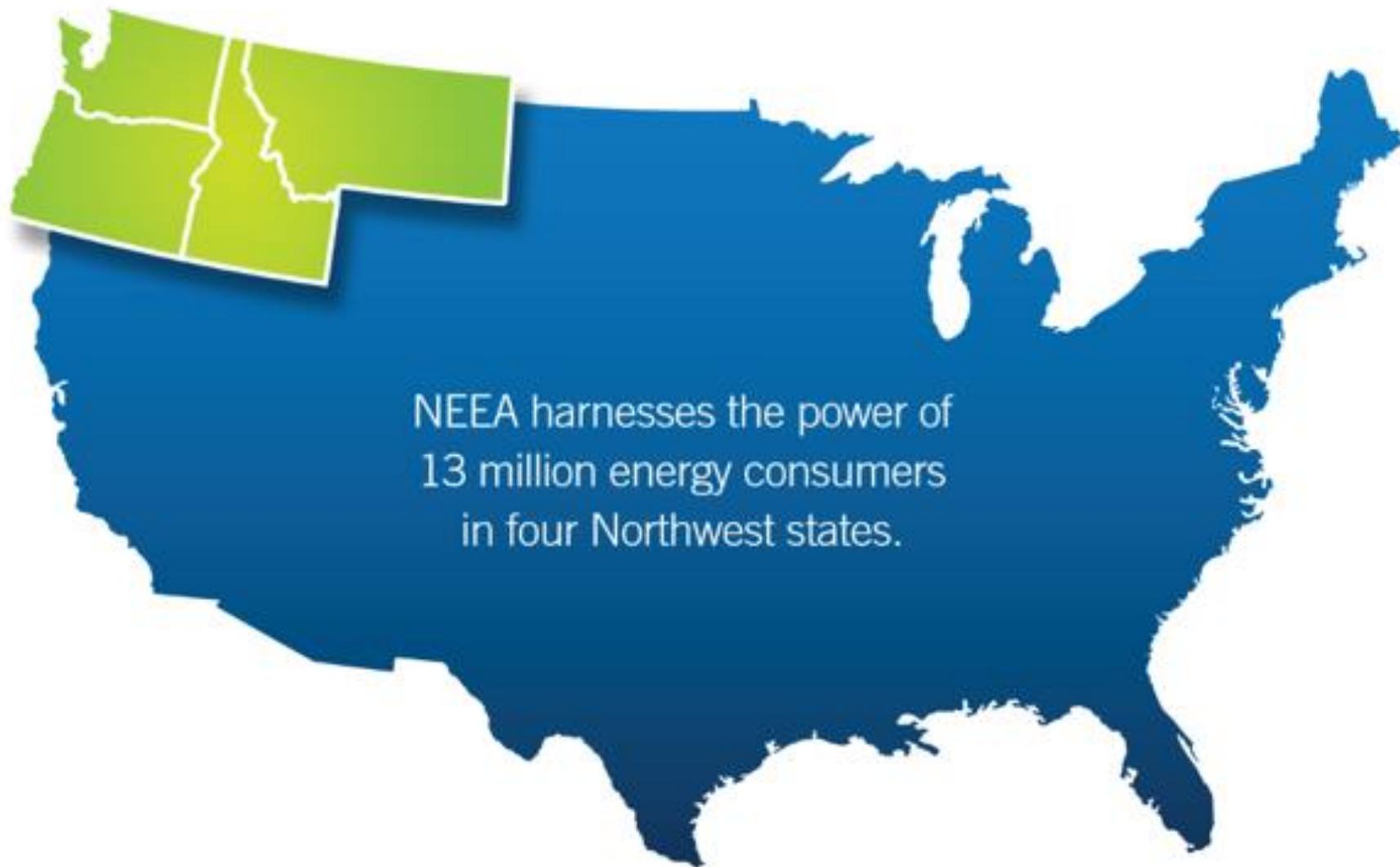
ENERGY STAR Partner Meeting
October 2016

HOT
WATER
SOLUTIONS

THE UNSUNG HERO



CHARACTERIZATION OF THE MARKET



NEEA harnesses the power of
13 million energy consumers
in four Northwest states.



THE ALLIANCE



The screenshot displays the website's interface. At the top left is the logo "HOT WATER SOLUTIONS". The top navigation bar includes links for "WHAT IS A HEAT PUMP WATER HEATER?", "FIND AN INSTALLER", "RETAILERS", "PROMOTIONS", and "PARTICIPATING UTILITIES", along with a "GET STARTED" button and a search icon. A dropdown menu for "Your Electric Utility" is visible. Below this is a dark navigation bar with a lightning bolt icon, a "Zip Code" input field, a "FIND UTILITIES" button, and a "Use Current Location" option. The main content area features a teal background with the heading "HEAT PUMP WATER HEATER RETAILERS" and a sub-heading "HEAT PUMP WATER HEATER RETAILERS". Below the heading is a paragraph: "Visit a retailer to buy a heat pump water heater. Enter your location for retailers near you." This is followed by a "Location" input field, a "SEARCH" button, and two options: "Use Current Location" and "View on Map". To the right of the text is a photograph of a baby in a bathtub.

CHARACTERIZATION OF THE NW MARKET

- **55** percent of all water heaters in the NW are electrically fueled.
- Water heaters are replaced roughly every **10** years.
- Slightly more water heaters are sold through the retail channel than through installers.
- Most HPWH sales to date were planned purchases (86 percent), as opposed to emergency replacements (14 percent).



PRIMARY MARKET BARRIERS



Upfront cost



Consumer familiarity



Limited product availability



Engaged installer base

PLANNED REPLACEMENT PURCHASERS

- Higher income earners
- Consumers interested in exploring energy-efficient options
- Planning for new construction
- Are more open to newer technology but still want a reliable product



EMERGENCY REPLACEMENT PURCHASERS

- Will wait only 1-3 days to get a new water heater
- Few will be open to researching new technology (HPWHs) in emergency situations.
- Typically look to installers to provide immediate guidance and solutions.



Key product influencers (in order of influence)

- Utilities
- Peers
- Contractors/plumbers

Motivating messaging

- Saving money on energy bills
- Saving energy
- Durability/reliability of equipment

Key consumer insights

- Consumers want known, reliable products
- Advanced/new tech is scary
- When in emergency replacement scenarios, consumers are not open to researching or considering new technology.

2016 ACTIVITIES

- **Increase consumer awareness, familiarity and confidence**
 - Online peer and product review platform
 - Online tools to support consumer education
 - PSAs (radio and TV)
 - Regional consumer awareness campaign
 - Joint native advertising campaign with ENERGY STAR
- **Amplify partner promotions**
 - Customizable utility promotion packets
 - Enhanced segmentation and consumer profiles
 - Marketing support to supply chain partners
- **Targeting emergency replacement market**
 - Empower installer product champions

CONSUMER FAMILIARITY



IS A HEAT PUMP WATER HEATER RIGHT FOR YOU?



Heat pump water heaters use up to 60% less energy than standard electric water heaters and are ideal for homeowners looking to replace old water heaters or lower household energy costs. Use the interactive tool below to see if a heat pump water heater is right for you.

TELL US ABOUT YOUR HOME!

IT'S A BED, BATH HOME

MY WATER HEATER IS POWERED BY



ELECTRICITY



NATURAL GAS



SOLAR

CONSUMER FAMILIARITY

Native Advertisement Campaign Results

2,934,317 Native Ad
impressions

13,918 Native Ad
Engagements

Sponsored By :



[About sponsored stories](#)

Heat pump water heaters cut electric water-heating costs by up to 60%

By StoryStudio on August 1, 2016 4:25 PM

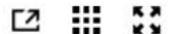


IMAGE 1 OF 6

Take a TV. Turn it on. Now leave it on for four and a half days straight. That's about how much energy a standard 50-gallon electric water heater uses in a single day, according to data provided by the U.S. Department of Energy and a 2011 Residential Building Stock

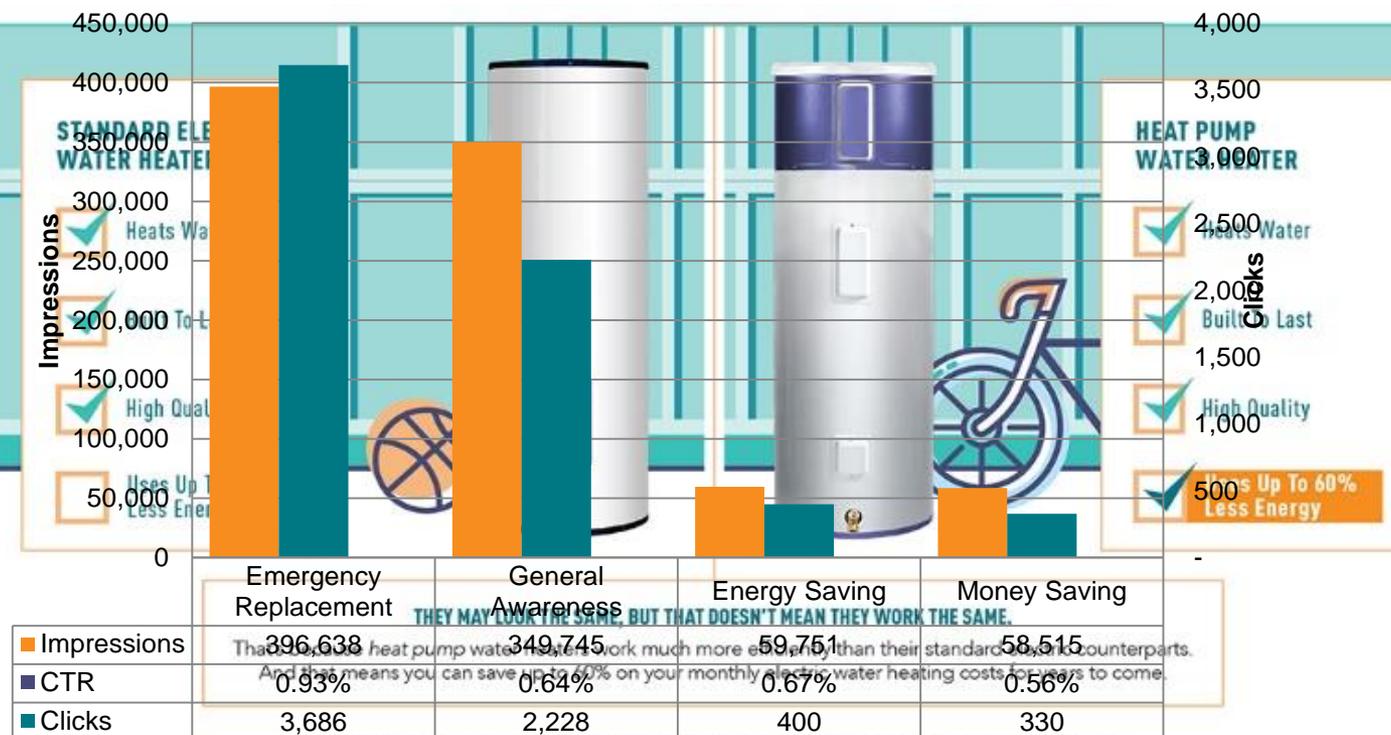
CONSUMER FAMILIARITY

11,409,074 total digital impressions

28,035 total clicks to website

0.25% overall Click-Through-Rate

\$2.77 Cost-Per-Click



AMPLIFY PARTNER PROMOTIONS

- Manufacturer EDDM
- Utility promotion packets
- Online advertisement support
- Northwest sales channel support

AC Smith
Commercial Water Heaters

Choose Your Country

Home | Water Heaters | Parts | Service | Resources | About Us | Where to Buy

Heat Pump Promotion

PUMP UP YOUR SAVINGS!

Don't miss out on great water heater savings and rebates. With an energy-saving A. O. Smith Voltex[®] hybrid electric heat pump water heater, you can reduce your energy bill by up to 71% and get an additional \$300 in federal tax credits.* Plus additional rebates may be available from your local utility company!

Find out how much more you can save.

SEARCH BY YOUR LOCATION

PRODUCTS

VOLTEx HYBRID ELECTRIC HEAT PUMP WATER HEATERS

Advanced Water Heater Specification Tier 3 Qualified

| HPTU-50N | HPTU-66N | HPTU-80N |
|---------------------|---------------------|---------------------|
| | | |
| CAPACITY 50 GALLONS | CAPACITY 66 GALLONS | CAPACITY 80 GALLONS |
| WHERE TO BUY | WHERE TO BUY | WHERE TO BUY |

* Based on a national electricity rate of \$0.12 per kWh. State and federal tax credits available. Learn more at [dhs.usdoe.org](#)

HIGH LEVEL FEATURES

| | | |
|--------------------|------------------------------------|----------------|
| HIGH EFFICIENCY | 4 OPERATING MODES | REBATES CENTER |
| QUIET OPERATION | AIR DUCT ADAPTER KIT | |
| RELIABLE HOT WATER | ENERGY STAR [®] QUALIFIED | |

UTILITY INCENTIVES

In addition to manufacturer discounts and tax credits, you may also qualify for utility incentives. Click below to find incentives in your area.

Incentive amounts and availability are subject to change; this information is current as of September 2016. Please contact the utility to verify availability, amount and requirements for incentive eligibility prior to installation.

- IDAHO
- MONTANA
- OREGON
- WASHINGTON

* Limited to tanks 55 gallons or less - Incentives provided by Energy Trust of Oregon

SAVINGS (AND HOT WATER) TO RELY ON

ENERGY-EFFICIENT AND DURABLE, heat pump water heaters give you reliable hot water and can save you up to 60% on your electric water-heating costs for many years to come. And if you're looking for instant gratification, you might also qualify for utility incentives and state or federal tax credits right away. Make the switch to a heat pump water heater for energy savings and hot water you can count on.

AMPLIFY MARKET PROMOTIONS

PUMP UP CUSTOMER SAVINGS

Save up to \$400 now on A. O. Smith Tier 3 Voltex® hybrid electric heat pump water heaters. They could reduce your customers' electric heating costs by up to 71% and save them an additional \$300 in federal tax credits.*

Contact your local A. O. Smith distributor for more information.



FEATURES

- HIGH EFFICIENCY
- QUIET OPERATION
- RELIABLE HOT WATER
- 4 OPERATING MODES
- AIR DUCT ADAPTER KIT
- ENERGY STAR® QUALIFIED

GET UP TO \$400 OFF
AT PARTICIPATING DISTRIBUTORS

VOLTEx HYBRID ELECTRIC HEAT PUMP WATER HEATERS

Advanced Water Heater Specification Tier 3 Qualified

| Model Number | Gallon Capacity | Northern Climate Energy Factor | First Hour Rating (hybrid mode) | Height | Diameter | Shipping Weight (lbs.) | Warranty Term | Instant Discount |
|--------------|-----------------|--------------------------------|---------------------------------|--------|----------|------------------------|---------------|------------------|
| HPTU-50N | 50 | 2.43 | 70 | 63" | 22" | 196 | 10 | \$300 |
| HPTU-66N | 66 | 2.56 | 80 | 61" | 27" | 289 | 10 | \$400 |
| HPTU-80N | 80 | 2.7 | 95 | 69" | 27" | 307 | 10 | \$400 |

To learn more about the Northern Climate Energy Factor, reference the Advanced Water Heater Specification at nea.org/advancedwaterheaterspec.

UTILITY INCENTIVES FOR CUSTOMERS

In addition to manufacturer discounts and tax credits, your customers may qualify for utility incentives. Use the table on the back of this flyer as a quick reference for incentives on Tier 2 and above electric heat pump water heaters provided by utilities in your area. Incentive amounts and availability are subject to change; this information is current as of May 2016. Please contact the utility to verify availability, amount and requirements for incentive eligibility prior to installation.

*Based on a national electricity rate average of \$0.12 per kWh. State and federal tax credits available. Learn more at dsireusa.org.



UTILITY INCENTIVES FOR CUSTOMERS

| Utility | Location | 50-75 Gallon Tanks | 75+ Gallon Tanks |
|--|----------------------|--------------------|------------------|
| City of Burley | Burley, ID | \$270 | \$450 |
| City of Rupert | Rupert, ID | \$270 | \$450 |
| City of Soda Springs | Soda Springs, ID | \$270 | \$450 |
| City of Weiser | Weiser, ID | \$270 | \$450 |
| East End Mutual Electric | Rupert, ID | \$270 | \$450 |
| Farmers Electric | Heyburn, ID | \$270 | \$450 |
| Idaho County Light & Power Cooperative Association, Inc. | Grangeville, ID | \$500 | \$500 |
| Idaho Falls Power | Idaho Falls, ID | \$250 | \$450 |
| Kootenai Electric Cooperative | Hayden, ID | \$300 | \$500 |
| Riverside Electric Company | Rupert, ID | \$270 | \$450 |
| Rocky Mountain Power | ID | \$550** | - |
| Blachly-Lane County Cooperative Electric Association | Eugene, MT | \$300 | \$500 |
| Flathead Electric Cooperative, Inc. | Kalispell, MT | \$500 | \$500 |
| Ravalli County Electric Cooperative, Inc. | Corvallis, MT | \$300 | \$300 |
| Canby Utility | Canby, OR | \$300 | \$500 |
| Central Electric Cooperative | Redmond, OR | \$500 | \$500 |
| Central Lincoln PUD | Florence, OR | \$500 | \$1,000 |
| City of Ashland | Ashland, OR | \$300 | \$500 |
| City of Bandon | Bandon, OR | \$240 | \$400 |
| City of Cascade Locks | Cascade Locks, OR | \$300 | \$500 |
| City of Milton-Freewater | Milton-Freewater, OR | \$400 | \$400 |
| Clatskanie PUD | Clatskanie, OR | \$500 | \$500 |
| Columbia Basin Electric Cooperative, Inc. | Heppner, OR | \$300 | \$500 |
| Columbia River PUD | St. Helens, OR | \$500 | \$500 |
| Consumers Power, Inc. | Philomath, OR | \$500 | \$500 |
| Coos-Curry Electric Cooperative, Inc. | Port Orford, OR | \$500 | \$500 |
| Douglas Electric Cooperative | Roseburg, OR | \$300 | \$500 |
| Emerald PUD | Eugene, OR | \$400 | \$400 |
| Eugene Water & Electric Board | Eugene, OR | \$300 | \$300 |
| Forest Grove Light & Power | Forest Grove, OR | \$500 | \$500 |
| Hermiston Energy Services | Hermiston, OR | \$300 | \$300 |
| Lane Electric Cooperative, Inc. | Eugene, OR | \$300 | \$300 |
| McMinnville Water & Light | McMinnville, OR | \$375 | \$375 |

| Utility | Location | 50-75 Gallon Tanks | 75+ Gallon Tanks |
|---|-------------------|--------------------|------------------|
| Northern Wasco County People's Utility District | The Dalles, OR | \$500 | \$500 |
| Pacific Power Oregon*** | Portland, OR | \$300** | - |
| Portland General Electric*** | Portland, OR | \$300** | - |
| Salem Electric Cooperative | Salem, OR | \$120 | \$120 |
| Tillamook PUD | Tillamook, OR | \$300 | \$500 |
| Umatilla Electric Coop | Umatilla, OR | \$300 | \$300 |
| West Oregon Electric Cooperative, Inc. | Vernonia, OR | \$300 | \$500 |
| Benton PUD | Kennewick, WA | \$300 | \$500 |
| Benton REA | Prosser, WA | \$300 | \$500 |
| Chelan County PUD | Wenatchee, WA | \$500 | \$500 |
| City of Milton | Milton, WA | \$500 | \$500 |
| Clallam County PUD | Port Angeles, WA | \$500 | \$500 |
| Clark Public Utilities | Vancouver, WA | \$500 | \$500 |
| Columbia REA | Dayton, WA | \$500 | \$500 |
| Cowlitz PUD | Longview, WA | \$500 | \$500 |
| Franklin PUD | Pasco, WA | \$300 | \$500 |
| Grays Harbor PUD | Aberdeen, WA | \$500 | \$500 |
| Inland Power & Light | Spokane, WA | \$300 | \$500 |
| Jefferson County PUD | Port Townsend, WA | \$500 | \$500 |
| Klickitat PUD | Goldendale, WA | \$300 | \$300 |
| Lewis County PUD | Chehalis, WA | \$500 | \$500 |
| Mason County PUD No. 3 | Shelton, WA | \$300 | \$500 |
| Orcas Power & Light Cooperative | Eastsound, WA | \$300 | \$500 |
| Pacific Power Washington | WA | \$600** | - |
| Peninsula Light Co. | Gig Harbor, WA | \$500 | \$500 |
| Port Angeles Public Works and Utilities | Port Angeles, WA | \$500 | \$500 |
| Puget Sound Energy | Bellevue, WA | \$800 | \$800 |
| Seattle City Light | Seattle, WA | \$500 | \$500 |
| Skamania County PUD #1 | Carson, WA | \$300 | \$500 |
| Snohomish County PUD | Everett, WA | \$500 | \$500 |
| Steilacoom Public Works | Steilacoom, WA | \$500 | \$500 |
| Vera Water & Power | Veradale, WA | \$300 | \$500 |

Limited to tanks 55 gallons or less *Incentives provided by Energy Trust of Oregon



EMPOWER INSTALLER CHAMPION

HOT
WATER
SOLUTIONS



QUESTIONS?



THANK YOU

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